



Testimony of Eric Gjede
Vice President of Public Policy, CBIA
Before the Labor & Public Employees Committee
Hartford, CT
March 8, 2022

Testifying in opposition to

SB 312: AN ACT CONCERNING THE EXPANSION OF CONNECTICUT PAID SICK DAYS

Good afternoon, Senator Kushner, Representative Porter, Senator Sampson, Representative Arora and members of the Labor & Public Employees Committee. My name is Eric Gjede and I am vice president of public policy for CBIA, the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses with less than 100 employees.

Since its enactment in 2012, Connecticut's paid sick leave law has proven costly for Connecticut businesses employing service workers. SB 312 expands the paid sick leave law to cover every business in the state—forcing employers with one or more employees to provide up to five days of paid leave per year.

As CBIA has noted before, the lack of flexibility of the paid sick leave law has resulted in additional costs and administrative burdens for Connecticut businesses. Even prior to the passage of the paid sick leave mandate in 2011, studies conducted by sick leave advocates showed that 90% of businesses in this state were already providing leave for employee illnesses. Yet, because of the law, 53% of those employers that offer sick leave incurred between 2% and 5% or more in additional costs to comply with the state mandate. Many of these companies reported having to cut hours and other benefits to make up for the increased costs attributable to the law.

Further, businesses have realized none of the promised benefits of the sick leave mandate. Little evidence exists to support the claim that paid sick leave has decreased illness in the workplace or reduced employee turnover.

SB 312 not only requires Connecticut's smallest businesses to provide paid sick leave, but it also requires employers to provide up to 80 hours of COVID-19 paid sick leave to each employee to care for their own or any number of extended family members' illness. This sick leave is retroactive up to four weeks after the expiration of the Governor's emergency declaration. Unlike the paid sick leave provided by the federal Families First Coronavirus Response Act in 2020, SB 312 does not offer employers a corresponding payroll tax credit to fund this leave. As a result, Connecticut businesses will incur the cost of not one, but two new labor mandates at a time they can least afford it.

The expansion of the paid sick leave and COVID-19 sick leave mandates proposed in SB 312 has the potential to be economically devastating to Connecticut. Back in 2011, members of the General Assembly saw the wisdom of excluding Connecticut's smallest businesses and the manufacturing sector from the sick leave mandate.

Connecticut employers, particularly small businesses, continue to face a multitude of pandemic-related challenges. Most saw operating costs increase due to supply chain issues and inflation, and an astounding 80% continue to face workforce issues. There are 110,000 unfilled job openings in the state, and despite all the state's wage and benefit mandates, we have lost 92,000 people from our labor force since February of 2020. In fact, Connecticut's labor force losses since February of 2020 represent over 10% of the total U.S. decline. Our state's unemployment rate remains higher than the national average, and employers face looming tax increases in the coming months to pay off federal unemployment loans.

Please take no action on SB 312